



United States
Department
of Agriculture

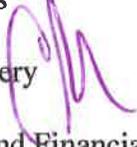
Research,
Education, and
Economics

National Institute
of Food and
Agriculture

1400 Independence
Avenue SW
Washington, DC 20250

October 24, 2016

MEMORANDUM FOR: 1890 Land-grant University Presidents, Provosts, 1890
Extension Administrators, and 1890 Agricultural
Research Directors

FROM: Cynthia Montgomery 
Deputy Director
Office of Grants and Financial Management

SUBJECT: Clarification on use of Qualifying Educational Expense as match

This is sent to provide clarification regarding use of qualifying education expenses as match. In accordance with 7 CFR 3419.6, qualifying education expenses must be approved by NIFA; qualifying education expenses may not be applied to match until NIFA provides prior approval.

7 CFR 3419.6

The required matching funds for the formula programs shall be used by an eligible institution for agricultural research and extension activities that have been approved in the plan of work required under sections 1444(d) and 1445(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, section 7 of the Hatch Act of 1887, section 4 of the Smith-Lever Act, or for *approved* qualifying education activities. (*emphasis added*)

Requests for approval must demonstrate the expenses are necessary and reasonable for accomplishment of project or program objectives ([2 CFR 200.306\(b\)\(3\)](#)). For a definition of program, see [2 CFR 200.42](#). Such requests are to be sent to the Authorized Departmental Officer (ADO). The contact information for the ADO is as follows:

Capacity Grants Branch
Awards Management Division
Office of Grants and Financial Management
National Institute of Food and Agriculture
U.S. Department of Agriculture
STOP 2271
1400 Independence Avenue, S.W.
Washington, D.C. 20250-2271
Telephone: (202) 401-4986
Facsimile: (202) 401-1804
Prior Approval Requests and Forms
Submission E-mail: Formulagrantsforms@NIFA.usda.gov
Policy Questions E-mail: Formulagrantsquestions@NIFA.usda.gov

All matching funds must meet the requirements contained in OMB's Uniform Guidance at 2 CFR 200.306 which is implemented by USDA-NIFA through regulation, 2 CFR 400. In accordance with 2 CFR 200.306, all match must be necessary and reasonable for accomplishment of project or program objectives; in other words, to be allowable as match, the costs must be allowable under the grant. Therefore, the matching costs must support authorized grant activities to be allowable as match.

When requesting prior approval for qualifying education expenses, keep in mind the above requirements are applicable to match. The citations containing the authorized uses of research and extension funds as well as definitions related to education from the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA) are provided for reference purposes. These will help clarify what are allowable activities for match and how extension education activities are defined.

NIFA follows the authorized uses in NARETPA, codified at 7 U.S.C 3221 and 3222, for research and extension programs. Research funds are for conducting agricultural research, printing, disseminating the results of research, administrative planning and direction, and purchase and rental of land and the construction, acquisition, alteration, or repair of buildings necessary for conducting agricultural research. Extension funds are for the expenses of conducting extension programs and activities. In fact, 7 U.S.C. 3221(e) expressly prohibits extension funds from being spent on college course teaching or lectures in college.

7 U.S.C. 3221(a)(3) USES.

Funds appropriated under this section shall be used for expenses of conducting extension programs and activities, and for contributing to the retirement of employees subject to the provisions of section 331 of this title.

7 U.S.C. 3222(a)(3) USES.

Funds appropriated under this section shall be used for expenses of conducting agricultural research, printing, disseminating the results of such research, contributing to the retirement of employees subject to the provisions of section 331 of this title, administrative planning and direction, and purchase and rental of land and the construction, acquisition, alteration, or repair of buildings necessary for conducting agricultural research.

7 U.S.C. 3221(e) DIMINUTION, LOSS, OR MISAPPLICATION OF FUNDS

Extension at 1890 land-grant colleges, including Tuskegee University ... ***No portion of such moneys shall be applied***, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or ***in college course teaching, lectures in college***, or any other purpose not specified in this section. It shall be the duty of such institution, annually, on or about the first day of January, to make to the Governor of the State in which it is located a full and detailed report of its operations in extension work, including a detailed statement of receipts and expenditures from all sources for this purpose, a copy of which report shall be sent to the Secretary. ***(Emphasis added.)***

NARETPA also contains definitions that explain the difference between education in conjunction with extension programs versus education and teaching, which provides context for what constitutes qualifying education activities as defined in 7 CFR 3419. Extension education is defined as “informal” while teaching and education is defined as “formal classroom instruction.” Applying these definitions to research and extension programs activities, it is clear to us that the education referenced is informal in nature, rather than “formal classroom instruction,” which is actually expressly prohibited in extension programs and not an authorized activity in research programs. Therefore, NIFA will not approve requests to consider classroom instruction as qualifying education activities for extension and research grant match requirements.

Section 1404 (7) The term “extension” means the informal education programs conducted in the States in cooperation with the Department of Agriculture.

Section 1404 (15) (15) TEACHING AND EDUCATION—The terms “teaching” and “education” mean formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees.

If you have any questions, please do not hesitate to let me know. We appreciate your continued work with NIFA and support of agricultural research, education, and extension programs.